Nova Scotia

Provincial Grain Commission

ANNUAL REPORT

FOR THE FISCAL YEAR ENDED MARCH 31, 1983

Nova Scotia

Provincial Grain Commission

Department of Agriculture and Marketing

PO Box 785
Kentville, Nova Scotia
B4N 3W9

902 678-4040

April 16, 1984

The Honourable Roger Bacon
Minister of Agriculture & Marketing
Province of Nova Scotia
P.O. Box 190
HALIFAX, Nova Scotia
B3J 2M4

Dear Sir:

Presented herewith in accordance with Section 11(2) of the Provincial Grain Commission Act, is the Annual Report of the Provincial Grain Commission for the fiscal year ended March 31, 1983.

Respectfully submitted,

Ted Ueffing
Chairman

Robert E. Dechaen
Secretary-Manager

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PROVINCIAL GRAIN COMMISSION
ANNUAL REPORT
YEAR ENDING MARCH 31, 1983

COMMISSION MEMBERS

T. Uelfing - Chairman
G. Coldwell - Vice-Chairman
T. Mattie
J. Peill
J. Johnson
A. Rovers

STAFF

R. Dechman - Secretary-Manager
S. Brown - Supervisor
R. Quartermain - Grader
M. Gates - Accounting Clerk

BACKGROUND

The Provincial Grain Commission was established by an Act of the Legislature of Nova Scotia that was assented to by the Lieutenant Governor, May 19, 1977. Under the Act, grain means wheat, barley, oats, rye, corn, fababeans, soybeans, field peas, rapeseed, and such other crops as may be designated by the Governor in Council.

OBJECTIVES

The objectives and powers of the Commission as set down by the Act are:

(1) to buy, sell, store, dry, grade, distribute grain and promote grain production;

(2) to establish prices and make initial and final payments for grain purchased or marketed by the Commission;

(3) to acquire, hold or lease real and personal property;

(4) to erect buildings and other works necessary for the purchase, sale, drying, storage and handling of grain;

(5) to administer grain production incentive programs as requested by the Minister;

(6) to enter into and carry out agreements and arrangements for the use, operation, management and control of grain drying and storage facilities;

(7) to carry out such other functions and discharge such other duties as the Minister may from time to time approve or determine.

With the approval of the Governor in Council, the Commission has made regulations:

(a) respecting the conditions of purchase, sale and distribution of grain by the Commission;

(b) respecting the kinds, quantities, quality and dates of purchase of grain purchased by the Commission;

(c) fixing the dates of advance and final payments each year;

(d) fixing rates charged for drying, storage, grading and handling of grain handled by the Commission.

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SUMMARY

Grain Handling Facilities: The Commission operated three grain handling facilities in the province; one at Steam Mill, Kings Co., one at Bayhead, Colchester Co., and a third at Nictaux, Annapolis Co. The services of grading, drying, storage, assembling and shipping were provided to grain producers at all three locations. Protein evaluation was done on all loads of wheat delivered to the Steam Mill Grain Center at the time of delivery. Samples from loads delivered to the other locations were completed after delivery.

Advance Payments: On June 30, 1982, the Commission established the rate of advance payment for the various grains and subsequently provided funds to the Nova Scotia Winter Grain Marketing Board for distribution to growers based on the amount of grain delivered. Advances were provided totalling $656,432.78.

Upgrading of Facilities: During the year additional equipment was added to the drying facilities at the Steam Mill Grain Center to increase the drying capacity and to improve the efficiency of the drying process.

Producer Associations: Marketing for all grains was the responsibility of the Nova Scotia Winter Grain Marketing Board and a close working relationship between the Commission and the Board was maintained. This arrangement has further strengthened the approach to orderly marketing and permitted efficiencies in the operation of facilities and marketing pools.

OPERATIONAL REPORT

Advance Payments: The following table outlines the funds used, the number of producers participating in the various marketing pools and the advances received by each pool.

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Table I

ADVANCE PAYMENTS BY COMMODITY

Type of Grain	Tonnes		No. of Producers		Total Advances	
	1981-82	1982-83	1981-82	1982-83	1981-82	1982-83
Wheat	3,994	3,186	111	77	315,865.90	165,923.63
Rye	3,380	2,509	113	112	235,433.38	127,889.48
Barley	1,429	2,606	62	76	117,019.28	181,883.21
Oats	1,520	2,290	112	130	130,661.75	162,383.31
Corn	1,559	1,432	21	22	75,702.96	18,252.15
Total	11,918	11,973	419	417	894,683.27	656,432.78

Grain Handling Facilities: The volume of grain handled by the Commission is shown in the following tables and is broken down by type of grain, source and location.

Table II

GRAIN HANDLED STEAM MILL GRAIN CENTER

(Tonnes)

	1981-82			1982-83		
	Local	Western	Total	Local	Western	Total
Winter Wheat	2,332.1	-	2,332.1	2,239.8	-	2,239.8
Rye	1,601.8	-	1,601.8	1,407.6	-	1,407.6
Barley	921.0	6,051.0	6,972.0	1,804.6	5,540.0	7,344.6
Oats	1,071.2	-	1,071.2	1,167.0	-	1,167.0
Spring Wheat	-	193.7	193.7	-	191.1	191.1
Corn	2,422.7	4,288.4	6,711.1	1,895.8	5,278.7	7,174.5
Rape Seed	-	-	-	42.0	93.2	135.2
Others	-	1,604.5	1,604.5	-	1,447.5	1,447.5
Total	8,348.8	12,137.6	20,486.4	8,556.8	12,550.5	21,087.3

Table III

GRAIN HANDLED BAYHEAD GRAIN CENTER

(Tonnes)

	1981-82			1982-83		
	Local	Western	Total	Local	Western	Total
Winter Wheat	441.6	54.3	495.9	513.8	-	513.8
Rye	672.3	-	672.3	700.5	-	700.5
Barley	556.3	560.6	1,116.9	606.3	348.3	954.6
Spring Wheat	96.7	51.3	148.0	-	-	-
Corn	-	306.2	306.2	-	105.4	105.4
Oats	543.6	63.2	606.8	810.1	-	801.1
Total	2,310.5	1,035.6	3,346.1	2,632.7	453.7	3,086.4

Table IV

GRAIN HANDLED NICTAUX GRAIN CENTER

(Tonnes)

	1981-82			1982-83		
	Local	Western	Total	Local	Western	Total
Winter Wheat	318.6	-	318.6	130.7	-	130.7
Rye	265.8	-	265.8	291.6	-	291.6
Barley	178.6	-	178.6	388.5	-	388.5
Spring Wheat	43.1	-	43.1	-	-	-
Corn	256.1	-	256.1	240.5	-	240.5
Oats	124.3	-	124.3	266.3	-	266.3
Total	1,186.5	-	1,186.5	1,317.6	-	1,317.6

The total grain handled from Nova Scotia producers by the Commission and by the Marketing Board is summarized in Table V. This does not include grain used directly on the producing farm or grain marketed directly to the trade or to fellow farmers by producers.

Table V

NOVA SCOTIA GRAIN HANDLED BY THE COMMISSION & MARKETING POOLS

	(Tonnes)	
	1981-82	1982-83
Wheat	4,144	3,649
Rye	3,390	2,540
Barley	1,802	3,076
Oats	1,775	2,548
Corn	2,980	2,337
Total	14,091	14,150

ACKNOWLEDGEMENTS

The Provincial Grain Commission wishes to acknowledge the assistance received from producers and producer associations, in particular, the Nova Scotia Winter Grain Marketing Board, and the work it has done on behalf of all grain producers in the province.

The Commission wishes also to acknowledge the co-operation received from the milling industry and the livestock feed trade organizations in the province for their assistance in marketing and handling the local crop.

In conclusion, the Commission wishes also to acknowledge the effort by its operational staff for the dedication to their work and effort they have put forward to serve their clientele.

OFFICE OF THE AUDITOR GENERAL
NOVA SCOTIA

P.O. BOX 790
HALIFAX, N.S.
B3J 2V2

AUDITOR'S REPORT

To the Chairman and Members of the
Provincial Grain Commission
and to the Minister of Agriculture and
Marketing

I have examined the balance sheet of the Provincial Grain Commission as at March 31, 1983 and the statement of revenues and expenses and the statement of retained earnings for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1983 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting as referred to in Note 1 to the financial statements applied, after giving retroactive effect to the change in the method of accounting for administrative expenses reimbursed by the Department of Agriculture and Marketing as explained in Note 1 (a) to the financial statements, on a basis consistent with that of the preceding year.

A.B. Sarty
AUDITOR GENERAL

Halifax, Nova Scotia
August 1, 1983

PROVINCE OF NOVA SCOTIA
PROVINCIAL GRAIN COMMISSION
BALANCE SHEET
AS AT MARCH 31, 1983

ASSETS

	1983	1982
Current		
Cash (Note 2)	$ 482,179	$ 253,360
Short term investments	50,000	35,000
Accounts receivable-trade, net of allowance for doubtful accounts 1983 - $3,551; 1982 - $2,205	151,431	68,589
Accrued interest	12,009	7,862
Advances receivable (Note 3)	656,433	894,683
Grain inventory (Note 1(b))	40,433	72,124
	$1,392,485	$1,331,618

LIABILITIES AND EQUITY

Current		
Accounts payable	$ 35,520	$ 80,889
Due to producers	7,832	-
	43,352	80,889
Long Term		
Advance from Province of Nova Scotia	950,000	950,000
Retained Earnings (Note 1(a))	399,133	300,729
	$1,392,485	$1,331,618

APPROVED ON BEHALF OF THE BOARD

Chairman

Member

PROVINCE OF NOVA SCOTIA

PROVINCIAL GRAIN COMMISSION

FINANCIAL STATEMENTS

MARCH 31, 1983

AUDITOR GENERAL – NOVA SCOTIA

PROVINCE OF NOVA SCOTIA
PROVINCIAL GRAIN COMMISSION
FINANCIAL STATEMENTS
MARCH 31, 1983

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PROVINCE OF NOVA SCOTIA
PROVINCIAL GRAIN COMMISSION
STATEMENT OF RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 1983

	1983	1982
Balance, beginning of year	$300,729	$235,885
Add:		
Net income for the year after Government contribution	98,404	64,841
Balance, end of year	$399,133	$300,729

PROVINCE OF NOVA SCOTIA
PROVINCIAL GRAIN COMMISSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1983

	1983	1982
Revenues		
Grain Centre revenues (Schedule A)	$255,629	$233,810
Profit (loss) on sale of Commission owned grain	17,566	(4,682)
Other	(218)	-
	272,977	229,128
Expenses		
Grain Centre operating expenses (Schedule A)	400,502	413,441
Operating loss	(127,525)	(184,313)
Add: Interest income	38,495	45,898
Less: Administrative expenses -		
Construction and equipment purchases (Note 1)	114,468	-
Salaries	64,638	56,521
Travel and meetings	23,818	22,671
Office expenses	17,563	17,837
Provision for bad debts	1,345	2,205
Other	3,482	1,409
	225,314	100,643
Loss before Government contribution	(314,344)	(239,058)
Add: Contributions by the Province of Nova Scotia (Note 1(a))	412,748	303,902
Net income for the year after Government contribution	$ 98,404	$ 64,844

PROVINCE OF NOVA SCOTIA
PROVINCIAL GRAIN COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1983

1. Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles except that purchases of capital equipment and machinery are expensed in the year of acquisition. As well, costs relating to construction of facilities are expensed in the year incurred. Construction costs for expansion of existing facilities amounted to $114,468 during the 1982-83 year. These expenses were paid by the Department of Agriculture and Marketing.

Other significant accounting policies include:

a) The Department of Agriculture and Marketing pays various operating and administrative expenses of the Provincial Grain Commission. During the year ended March 31, 1983, the Commission adopted the method of accounting for these payments as revenue in the statement of revenues and expenses. Previously, these payments were credited to retained earnings as a grant.

The grants and assistance from the Department of Agriculture and Marketing, previously shown as a separate item in the statement of retained earnings, has been netted against the operating deficit to produce one retained earnings amount.

As a result of the change, which has been applied retroactively, the net income for the years ended March 31, 1983 and March 31, 1982 has been increased by $412,748 and $303,902, respectively.

b) Grain inventories owned by the Commission are valued at the market price at March 31, 1983. Grains on hand at year-end, which have been received by the Commission to store on behalf of producers, are not reflected in these financial statements.

PROVINCE OF NOVA SCOTIA
PROVINCIAL GRAIN COMMISSION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1983

2. Cash

Cash includes both the general cash of the Provincial Grain Commission, as well as, the funds restricted for advance payments to producers to cover the costs of producing grains.

The Commission is authorized to make advance payments to producers through the Nova Scotia Winter Wheat Marketing Board. This program is funded by a $950,000 long term advance from the Province of Nova Scotia. The advances are recovered when the Nova Scotia Winter Wheat Marketing Board sells the grains. As at March 31, 1983, $368,499 (March 31, 1982 - $162,850) was still available to be advanced to producers.

	1983	1982
General operating accounts	$113,680	$ 90,510
Advance payment account	368,499	162,850
	$482,179	$253,360

3. Advances Receivable

Advances receivable at March 31, 1983 of $656,433 (March 31, 1982 -$894,683) represent advances to the Nova Scotia Winter Wheat Marketing Board for distribution to producers under the advance payment program.

PROVINCE OF NOVA SCOTIA
PROVINCIAL GRAIN COMMISSION
GRAIN CENTRE OPERATIONS
FOR THE YEAR ENDED MARCH 31, 1983

	Steam Mill	
	1983	1982
Revenues		
Handling and drying fees	$177,723	$175,523
Operating Expenses		
Salaries	97,762	90,091
Insurance	15,455	18,737
Equipment and machinery	32,190	24,552
Electricity	10,370	9,327
Fuel	33,507	34,970
Trucking	16,197	16,014
Storage	9,274	8,332
Other	2,656	16,405
	217,411	218,428
Grain Centre operating loss	$ 39,688	$ 42,905

Schedule A

Bay Head 1983	Bay Head 1982	Nictaux 1983	Nictaux 1982	Total 1983	Total 1982
$ 48,952	$ 39,500	$ 28,954	$ 18,787	$255,629	$233,810
57,934	43,586	26,239	12,968	181,935	146,645
8,151	5,674	2,429	1,701	26,035	26,112
18,582	59,213	17,123	31,988	67,895	115,753
7,253	6,962	5,465	3,168	23,088	19,457
18,098	12,176	5,625	3,495	57,230	50,641
6,806	6,276	197	60	23,200	22,350
-	251	1,355	-	10,629	8,583
1,155	4,769	6,679	2,726	10,490	23,900
117,979	138,907	65,112	56,106	400,502	413,441
$ 69,027	$ 99,407	$ 36,158	$ 37,319	$144,873	$179,631